

FIRST SET OF DOCUMENT AND INFORMATION REQUESTS OF
THE DEPARTMENT OF COMMUNICATIONS AND ENERGY TO
BOSTON GAS COMPANY, COLONIAL GAS COMPANY AND ESSEX GAS COMPANY
D/B/A KEYSpan ENERGY DELIVERY NEW ENGLAND

D.T.E. 04-62

Respondent: Ann Leary

Information Request DTE 1-36

Q. Refer to Exhibit KED/AEL-1, Page 12. Explain the difference between a “base/supplemental CGA calculation” and a “peak/off-peak calculation”

A. The major difference between the base/supplemental CGA calculation and the Peak/Off-Peak CGA calculation is how the commodity costs are assigned to the peak and off peak period. Currently, only Colonial Gas still calculates its CGA based on the base/supplemental CGA calculation.

The base/supplemental CGA calculation was approved by the Department in D.P.U. 1669-C (1987) and adopted by all Massachusetts gas companies. The purpose of this clause was to develop a base CGA factor that would apply for the entire year and a supplemental CGA factor that would be added to the base factor for the months of November through April. The base factor includes those gas supplies procured by the company to serve year round firm load associated with the off-peak period, while the supplemental factor includes those gas supplies procured by the company to augment base gas supplies in meeting firm load requirements in the peak period. In the base/supplemental calculation, annual pipeline demand charges are allocated between the base and supplemental factors based on a proportion responsibility allocator. The base/supplemental calculation assumes that the commodity cost of pipeline delivered gas supply does not vary throughout the seasons and thus uses an average pipeline commodity cost for the entire year.

Both Boston Gas and Essex Gas use a peak/off-peak CGA factor in which the commodity costs (pipeline, underground storage and LNG) were summed for the peak (November through April) and off-peak (May through October) periods. Demand costs are still allocated between the peak and off-peak period according to the proportional responsibility allocator, as was done in the base/supplemental calculation. See, Essex County Gas Company, D.P.U. 91-107 (1991); Boston Gas Company, D.P.U. 93-60 (1993).